

**Projected Revenues & Expenses on  
Cell-Site Basis for Five Years  
With & Without the Waiver**

**Exhibit 8**

**Redacted—For Public Inspection**

**List of Services Other Than Voice  
Telephone Services Provided Over  
Universal Service Supported Plan**

**Exhibit 9**

For reference, attached is a list of additional services provided to WCC subscribers. WCC rate plans for 2011 in Exhibit 4 were all-inclusive and did not charge subscribers extra for services other than voice. Thus, 100 percent of WCC subscribers used all the services, including SMS, data and roaming. WCC is in the process of implementing its 2012 rate plans that will charge for additional services. However, during the period for which the Commission is seeking this data, all the rate plans included additional services at no extra cost.

**Windy City Cellular, LLC  
List of Services Other Than Voice  
Provided Over USF Plant**

**In Addition to cellular voice services WCC provides the following over the cellular network:**

**Long Distance Calling - state and national  
Roaming - In Network and Out of Network  
SMS - Text Messaging Prepaid and Post Paid  
Data Transmission - Prepaid and Post Paid  
Voicemail services**

# **Procedures for Allocating Shared or Common Costs**

## **Exhibit 10**

**Redacted—For Public Inspection**

**Audited Financial Statements & Notes  
for Most Recent Three Years**

**Exhibit 11**



**Redacted—For Public Inspection**

# **Information on Outstanding Loans**

## **Exhibit 12**

**NO OUTSTANDING LOANS**

**Identification of Facilities to  
Be Taken Out of Service  
Absent Grant of Waiver**

**Exhibit 13**

**All WCC Facilities  
Will Be Taken Out of Service  
Absent Grant of Waiver**

**Additional Information About  
Operating, Economic, Other  
Conditions or Reasons  
Warranting Relief**

**Exhibit 14**

For reference, included in this Exhibit are the following:

- The Regulatory Commission of Alaska Order Designating WCC as an Eligible Telecommunications Carrier
- WCC Annual ETC Report for Year Ending Dec. 31, 2010
- WCC Annual ETC Report for Year Ending Dec. 31, 2011
- WCC Annual ETC Report for Year Ending Dec. 31, 2012

**Regulatory Commission of Alaska  
Order Designating WCC as  
Eligible Telecommunications Carrier**



STATE OF ALASKA

THE REGULATORY COMMISSION OF ALASKA

Before Commissioners:

Robert M. Pickett, Chairman  
Kate Giard  
Mark K. Johnson  
Anthony A. Price  
Janis W. Wilson

In the Matter of the Request by Windy City )  
Cellular, LLC for Designation as an Eligible )  
Telecommunications Carrier in the Study Area )  
Served by ADAK EAGLE ENTERPRISES LLC )  
d/b/a ADAK TELEPHONE UTILITY )

U-08-67

ORDER NO. 2

**ORDER DESIGNATING ELIGIBLE TELECOMMUNICATIONS CARRIER  
STATUS, SUBJECT TO CONDITIONS: ACCEPTING DATA RESPONSE AND  
AFFIDAVIT; AND CLOSING DOCKET**

BY THE COMMISSION:

Summary

We designate Windy City Cellular, LLC (WCC) as an eligible telecommunications carrier (ETC) in the study area served by Adak Eagle Enterprises d/b/a Adak Telephone Utility (AEE), subject to conditions. We accept the data response and affidavit filed by WCC. We close this docket.

Background

WCC filed an application for designation as an ETC in the AEE study area.<sup>1</sup> We issued public notice of the request.<sup>2</sup> No comments were filed. We required

<sup>1</sup>Windy City Cellular LLC's Application for Designation as an Eligible Telecommunications Carrier, filed June 6, 2008 (Application); Errata to Windy City Cellular LLC's Application for Designation as an Eligible Telecommunications Carrier, filed June 24, 2008 (WCC Errata to Application).

<sup>2</sup>Notice of Utility Petition, dated June 17, 2008.

supplemental information through Letter Order No. L0800360.<sup>3</sup> WCC filed its response.<sup>4</sup> We required additional information through Letter Order No. L0800477.<sup>5</sup> WCC filed its response.<sup>6</sup>

WCC filed a supplement to its application for the limited purpose of providing a 2008 federal universal service fund (USF) data response and affidavit.<sup>7</sup> WCC asks for our acceptance of the filing, but it does not ask for any affirmative action related to the filing.<sup>8</sup>

### Discussion

#### Request for ETC Designation

ETC status allows a carrier to receive support from federal and state universal service funding to provide, maintain, and upgrade facilities and services for which the support is intended.<sup>9</sup> The supported services are described in 47 C.F.R. § 54.101(a)(1)-(9). Under the Telecommunications Act of 1996,<sup>10</sup> a state commission designates a common carrier as an ETC.<sup>11</sup> An ETC must provide the

<sup>3</sup>Letter Order No. L0800360, dated July 3, 2008 (L0800360).

<sup>4</sup>*Windy City Cellular LLC's Response to Letter Order No. L0800360*, filed July 17, 2008 (WCC Response to L0800360).

<sup>5</sup>Letter Order No. L0800477, dated September 30, 2008 (L0800477).

<sup>6</sup>*Windy City Cellular LLC's Response to Letter Order No. L0800477*, filed October 15, 2008 (WCC Response to L0800477).

<sup>7</sup>*Windy City Cellular LLC's Supplement to Application for Designation as an Eligible Telecommunications Carrier to Provide Data Response and Affidavit*, filed September 22, 2008 (Data Response Filing).

<sup>8</sup>Data Response Filing at 3.

<sup>9</sup>47 U.S.C. § 254(e).

<sup>10</sup>Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996), amending the Communications Act of 1934, 47 U.S.C. §§ 151 *et seq.* (the Act).

<sup>11</sup>47 U.S.C. § 214(e)(2); 47 C.F.R. § 54.201.

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supported universal telecommunications services throughout a defined service area.<sup>12</sup>  
An applicant must meet the following criteria for ETC status: (a) demonstrate that it owns some facilities; (b) demonstrate that it is capable of and committed to providing the nine basic services required by Federal Communications Commission (FCC) regulation;<sup>13</sup> (c) reasonably show that granting designation as an ETC is in the public interest; and (d) show that upon obtaining ETC status, the applicant will be able to offer and will advertise the availability of the services supported by the federal USF.<sup>14</sup>

#### Designated Service Area

WCC affirms that it is a common carrier authorized by the FCC to operate as an A Block cellular telecommunications carrier.<sup>15</sup> WCC provided the range and

<sup>12</sup>47 C.F.R. § 54.201(d).

<sup>13</sup>The nine basic services are defined at 47 C.F.R. § 54.101.

<sup>14</sup>47 U.S.C. § 214(e)(1) and (2) of the Act provide:

#### (1) Eligible telecommunications carriers

A common carrier designated as an eligible telecommunications carrier under paragraph (2), (3), or (6) shall be eligible to receive universal service support in accordance with section 254 of this title and shall, throughout the service area for which the designation is received --

(A) offer the services that are supported by Federal universal service support mechanisms under section 254(c) of this title, either using its own facilities or a combination of its own facilities and resale of another carrier's services (including the services offered by another eligible telecommunications carrier); and

(B) advertise the availability of such services and the charges therefor using media of general distribution.

#### (2) Designation of eligible telecommunications carriers

... Before designating an additional eligible telecommunications carrier for an area served by a rural telephone company, the State commission shall find that the designation is in the public interest.

<sup>15</sup>Application at 8, Ex. C at 2.

township description for the AEE study area and filed maps showing that its proposed coverage area will include the service area boundaries for the AEE study area.<sup>16</sup>

### Ownership of Facilities

WCC intends to provide wireless service throughout the AEE study area using its own facilities. WCC is currently providing all supported services to Adak customers with its existing downtown cell site.<sup>17</sup> We find that WCC meets the facilities requirement for designation as an ETC in the AEE study area.

### Capability of Providing Supported Services

WCC states that it will provide voice grade access to the public switched network through an interconnection agreement with AEE.<sup>18</sup> WCC will offer a variety of calling plans to meet consumers' calling needs and certifies that it will comply with any minimum offering requirement we may establish.<sup>19</sup> WCC will offer a basic starting package with 500 minutes of use for \$50 per month.<sup>20</sup> Customers will receive voice mail and other calling features at no additional charge. WCC's starting plan is reasonably comparable to the basic wireline local service offering of the incumbent local exchange carrier (ILEC), AEE, which is offered at a residential rate of \$40.60 not including voicemail or calling features.<sup>21</sup>

<sup>16</sup>Application, Exs. A-B.

<sup>17</sup>WCC Response to L0800477 at 4.

<sup>18</sup>Application at 16. See Order U-08-62(2), *Order Approving Negotiated Interconnection Agreement and Closing Docket*, dated September 3, 2008.

<sup>19</sup>Application at 16.

<sup>20</sup>*Id.* at 17. WCC will charge \$0.35 per minute for excess minutes and \$0.20 per minute for long distance calls. WCC Response to L0800477 at 6.

<sup>21</sup>The commission approved revised rates for AEE including a reduction in the residential rate from \$71.50. See Order U-07-144(5), *Order Accepting Stipulation Subject to Condition and Closing Docket*, dated September 17, 2008, as corrected by *Errata Notice to Order U-07-144(5)*, dated October 2, 2008.

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1 Federal rules require an ETC to provide 911 and enhanced 911 (E911)  
2 service to the extent the local government has implemented 911 or E911 systems.<sup>22</sup>  
3 WCC states that 911 calls are routed to the local public safety answering point (PSAP)  
4 via a trunk set up with the local exchange carrier.<sup>23</sup> While the local PSAP has not  
5 requested E911 services, WCC states that it will be capable of providing both Phase I  
6 and Phase II E911 service.<sup>24</sup>

7 WCC states that it will provide Lifeline and Link Up services in accordance  
8 with our regulations.<sup>25</sup> WCC will offer Lifeline customers a calling plan for \$39.50 per  
9 month which, after discounts are applied, will be reduced to \$1.00 a month.<sup>26</sup> The plan  
10 includes 500 minutes of use and includes voice mail, Caller ID, and other features.<sup>27</sup>

11 WCC states that it is capable of providing the remaining supported  
12 services: dual tone multi-frequency signaling, single party service, access to operator  
13 services, access to interexchange service, access to directory assistance, and toll  
14 limitation services.<sup>28</sup>

15 Although they are not yet in effect, WCC filed information addressing the  
16 ETC regulations we recently adopted in Order R-06-3(3).<sup>29</sup> WCC states that it will have  
17 at least eight hours of back-up power for its cell sites to ensure functionality without an

18  
19 <sup>22</sup>47 CFR 54.101(a)(5).

20 <sup>23</sup>Application at 18.

21 <sup>24</sup>*Id.*

22 <sup>25</sup>3 AAC 53.390; Application at 20.

23 <sup>26</sup>Application at 20.

24 <sup>27</sup>*Id.* at 17.

25 <sup>28</sup>Application at 12-13; WCC Response to L0800477 at 4.

26 <sup>29</sup>Application at 32-43. Order R-06-3(6), *Order Adopting Regulations*, dated August 28, 2008 (Order R-06-3(6)).

external source of power.<sup>30</sup> Additionally, WCC described the redundancy of coverage it will have from its three planned towers which will reduce likelihood of service loss if one tower is disabled.

WCC committed to comply with the CTIA Consumer Code which specifies terms and conditions of service that will benefit consumers.<sup>31</sup> WCC acknowledged that it may be required to provide equal access if no other ETC provides equal access within the study area.<sup>32</sup>

Based on the record, we find that WCC is capable of providing the supported services in the AEE study area with its current facilities.

#### Commitment to Serve Throughout the Study Area

##### Network Plan

WCC filed a Proposed Network Improvement Plan that details the projects WCC proposes to complete with USF support.<sup>33</sup> WCC asserts that the best way to serve both the local population and the influx of seasonal workers is to deploy a network that will support both Code Division Multiple Access (CDMA) and Global System for Mobile communication technology (GSM).<sup>34</sup> WCC states that it is making a solid

<sup>30</sup>Application at 25.

<sup>31</sup>*Id.* at 24. The CTIA Consumer Code requires carriers to disclose rates and terms of service to customers; make available maps showing where service is generally available; provide contract terms to customers and confirm changes in service; allow a trial period for new service; provide specific disclosures in advertising; separately identify carrier charges from taxes on billing statements; provide customers the right to terminate service for changes to contract terms; provide ready access to customer service; promptly respond to consumer inquiries and complaints received from government agencies; and abide by policies for protection of consumer privacy. The CTIA Consumer Code is available at [http://files.ctia.org/pdf/The\\_Code.pdf](http://files.ctia.org/pdf/The_Code.pdf).

<sup>32</sup>Application at 24.

<sup>33</sup>Application, Ex. D.

<sup>34</sup>*Id.* at 4, Ex. at 2, 4.

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1 business decision to offer both technologies using a software-based system to serve  
2 both permanent and seasonal customers in a cost-efficient manner.<sup>35</sup>

3 WCC plans to install three cell sites to serve the Adak area. WCC states  
4 that three towers will prevent interruptions that would otherwise occur if one cell site has  
5 operational problems.<sup>36</sup> WCC notes that Adak Island has some of the most severe  
6 weather patterns in all of Alaska and that cell towers and antennae are particularly  
7 susceptible to severe winds.<sup>37</sup> WCC claims that three towers will enhance reliability of  
8 service in addition to increasing service quality and mobility throughout the study area.<sup>38</sup>  
9 Further, WCC notes that customers in Adak consist of fishermen, government workers,  
10 fish and wildlife employees, and others who have need for cellular communications  
11 beyond the geographic boundaries of the AEE study area and that WCC's proposed  
12 facilities will provide that coverage.<sup>39</sup>

13 WCC's Proposed Network Improvement Plan shows investment of  
14 \$3 million in the first year to install three cell sites.<sup>40</sup> WCC plans to add a data solution  
15 to the network in the second year of operations for an investment of \$200,000. WCC  
16 estimates that it will not require additional investment but will incur operating expenses  
17 of roughly \$980,000 per year after the network is installed. Based on service to an  
18 estimated one hundred fifty to two hundred customers, WCC projects that it will not  
19  
20

21 <sup>35</sup>WCC Response to L0800360 at 5-6.

22 <sup>36</sup>*Id.* at 4.

23 <sup>37</sup>*Id.*

24 <sup>38</sup>*Id.*

25 <sup>39</sup>*Id.* at 5.

26 <sup>40</sup>Application, Ex. D at 6-7, Attachment 1.

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1 receive USF support for the first two years but will receive roughly \$2.6 million over the  
2 subsequent three-year period.<sup>41</sup>

3 We determine that WCC's network deployment plan reflects a reasonable  
4 means for providing quality wireless services throughout the AEE study area.

5 Providing Supported Services Throughout the Study Area

6 WCC states that it will provide the supported services using its own  
7 facilities and will employ the seven-step approach in response to any request from  
8 outside the coverage area of its facilities.<sup>42</sup> WCC states that it is doubtful that it will  
9 need to rely on the seven-step approach because of the overlapping coverage area of  
10 its three proposed cell sites.<sup>43</sup> Even without the installation of its two additional planned  
11 cell sites, WCC is confident that it can provide service to the entire study area using its  
12 current cell site without reliance on resale or roaming agreements.<sup>44</sup>

13 We find that WCC has demonstrated the capability and commitment to  
14 provide the supported services throughout the AEE study area.

15 Public Interest

16 Before designating a carrier as an ETC in a rural area, we must find the  
17 request to be in the public interest.<sup>45</sup> Historically, we have required requesting carriers  
18 to show that their designation will increase consumer choice, provide high quality and  
19  
20  
21

22 <sup>41</sup>Application at 5. WCC states that it will finance the initial investment with a  
loan from the Rural Utility Service.

23 <sup>42</sup>Application at 22-23.

24 <sup>43</sup>*Id.* at 23.

25 <sup>44</sup>WCC Response to L0800360 at 4; WCC Response to L0800477 at 2.

26 <sup>45</sup>47 U.S.C. § 214(e)(2).



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1 affordable service, improve public safety, and provide service to underserved and  
2 unserved areas or achieve some other substantive public benefit.<sup>46</sup>

3 WCC states that its designation will serve the public interest by providing  
4 affordable facilities-based mobile services to the Adak area.<sup>47</sup> WCC states that its  
5 offering of dual technology service (GSM and CDMA) serves the public interest because  
6 it extends wireless service to the substantial seasonal population that might otherwise  
7 not have access to wireless service. WCC claims that the overlapping coverage area of  
8 its three proposed cell sites will provide superior signal strength, fewer dropped calls,  
9 advanced features such as Caller ID, text messaging, and wireless data service.<sup>48</sup> By  
10 providing a coverage area larger than the AEE service area boundaries and providing  
11 wireless access to 911, WCC states that its designation will provide a public safety  
12 benefit.<sup>49</sup> Further, WCC noted that it is an affiliate of the ILEC and as such is familiar  
13 with service provisioning in Adak and with the needs of Adak consumers.<sup>50</sup> WCC  
14 claims this experience in Adak further shows that its designation as an ETC is in the  
15 public interest.<sup>51</sup>

16 We find that WCC has reasonably shown that its designation as an ETC in  
17 the AEE study area is in the public interest.

18 <sup>46</sup>See Order U-06-3(2), *Order Approving Request for Eligible*  
19 *Telecommunications Carrier Status and Requiring Filings*, dated November 2, 2006;  
20 Order U-06-4(2), *Order Approving Request for Eligible Telecommunications*  
21 *Carrier Status and Requiring Filings*, dated November 2, 2006; Order U-06-41(2), *Order*  
22 *Approving Application for Eligible Telecommunications Carrier Status, Subject to*  
23 *Conditions; and Requiring Filings*, dated November 14, 2006.

22 <sup>47</sup>Application at 28.

23 <sup>48</sup>*Id.* at 28-29.

24 <sup>49</sup>*Id.* at 30.

25 <sup>50</sup>WCC Response to L0800360 at 8-9.

26 <sup>51</sup>*Id.*

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Ability to Offer and Advertise Services Upon Designation

WCC is currently offering the supported services in the AEE study area and has stated a commitment to advertise the availability of supported services throughout the AEE study area in accordance with advertising requirements imposed in prior ETC proceedings.<sup>52</sup> We find that WCC meets the requirement to offer and advertise the availability of the supported services upon designation as an ETC.

ETC Designation

We find that WCC has met the requirements for designation as an ETC in the AEE study area. Therefore, we designate WCC as an ETC, subject to the following conditions. We will monitor WCC's progress in its network upgrade compared to the build-out schedule provided in its ETC petition. We require WCC to notify us if it is unable to provide service to a customer upon request. We require WCC to report to us if it receives a request for E911 service from a local PSAP and is unable to provide the service. We monitor the continued appropriate use of universal service funding in our rural markets by requiring annual certification by all designated ETCs, including wireless carriers. Accordingly, we require WCC to file the same information required of all other rural ETCs in Alaska through our annual use-of-funds certification process.

<sup>52</sup>Application at 25:

(1) once every two year, WCC will perform community outreach through appropriate community agencies by notifying those agencies of its available services; (2) once every two years, WCC will post a list of its services on a school or community center bulletin board in each of the utility's exchanges; (3) once a year, WCC will provide a bill insert indicating its available services; and (4) once a year, WCC will advertise its services through a general distribution newspaper at the locations it serves in the requested service area.